Deloitte.

NORTHLANDS COLLEGE

FINANCIAL STATEMENTS

June 30, 2009

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June 30, 2009

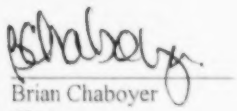
September 30, 2009

Honorable Rob Norris
Minister of Advanced Education, Employment and Labour
Room 208, Legislative Building
2405 Legislative Drive
Regina, SK
S4S 0B3

Dear Minister Norris,

On behalf of the board of directors of Northlands College and in accordance with the provisions of *The Regional Colleges Act*, I am pleased to submit the audited financial statements of Northlands College for the fiscal year ended June 30, 2009.

Respectfully submitted,



Brian Chaboyer
Chair
Northlands College Board of Directors

Deloitte

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AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS OF
NORTHLANDS COLLEGE**

We have audited the statement of financial position of Northlands College as at June 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

August 14, 2009

Member of / Membre de Deloitte Touche Tohmatsu

Northlands College
Statement of Financial Position
as at June 30, 2009

	2009			2008
	Operating Fund	Capital Fund	**Total**	Total
Assets				
Current Assets				
Cash	$ 4,340,364	$ -	**$ 4,340,364**	$ 5,562,276
Accounts receivable (note 4)	1,432,237	-	**1,432,237**	666,437
Prepaid expenses	66,609	-	**66,609**	51,547
Inventory for consumption	65,912	-	**65,912**	-
	5,905,122	-	**5,905,122**	6,280,260
Non-current Assets				
Capital assets (note 5)	-	4,495,275	**4,495,275**	4,304,594
	$ 5,905,122	$ 4,495,275	**$ 10,400,397**	$ 10,584,854
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 730,534	$ -	**$ 730,534**	$ 703,402
Accounts payable and accrued liabilities (note 6)	946,527	-	**946,527**	702,820
Unearned revenue (note 7)	2,345,860	-	**2,345,860**	3,110,061
Current portion of long-term debt (note 8)	-	42,657	**42,657**	40,343
	4,022,921	42,657	**4,065,578**	4,556,626
Non-current Liabilities				
Long-term debt (note 8)	-	440,981	**440,981**	483,638
	4,022,921	483,638	**4,506,559**	5,040,264
Net Assets				
Invested in capital assets	-	4,011,637	**4,011,637**	3,780,613
Restricted (note 9)	1,504,421	-	**1,504,421**	1,505,913
Unrestricted	377,780	-	**377,780**	258,064
	1,882,201	4,011,637	**5,893,838**	5,544,590
	$ 5,905,122	$ 4,495,275	**$ 10,400,397**	$ 10,584,854

On behalf of the Board:

Director

Director/CFO

See accompanying notes to financial statements

Northlands College
Statement of Operations
for the year ended June 30, 2009

	2009 Budget (Note 10)	Operating Fund 2009	Operating Fund 2008	Capital fund 2009	Capital fund 2008	**Total 2009**	Total 2008
Revenues (Schedule 1)							
Provincial Government	$ 11,384,720	$ 11,220,848	$ 11,126,482	$ 568,625	$ 845,688	**$ 11,789,473**	$ 11,972,170
Federal Government	864,100	705,567	1,227,367	-	-	**705,567**	1,227,367
Other revenue	3,622,131	4,012,694	3,969,448	-	-	**4,012,694**	3,969,448
	15,870,951	15,939,109	16,323,297	568,625	845,688	**16,507,734**	17,168,985
Expenses (Schedule 2)							
Agency contracts	3,233,599	3,200,141	3,937,665	-	435	**3,200,141**	3,938,100
Amortization	653,995	-	-	603,113	618,548	**603,113**	618,548
Equipment	365,167	510,975	422,095	-	14,310	**510,975**	436,405
Facilities	1,499,071	1,486,321	1,322,368	-	-	**1,486,321**	1,322,368
Information technology	127,405	173,931	73,861	-	-	**173,931**	73,861
Operating (Schedule 3)	2,080,074	2,123,170	1,905,806	-	-	**2,123,170**	1,905,806
Personal services	8,619,197	8,060,835	7,553,708	-	-	**8,060,835**	7,553,708
	16,578,508	15,555,373	15,215,503	603,113	633,293	**16,158,486**	15,848,796
(Deficiency) Excess of Revenues over Expenses	$ (707,557)	$ 383,736	$ 1,107,794	$ (34,488)	$ 212,395	**$ 349,248**	$ 1,320,189

See accompanying notes to financial statements

Northlands College
Statement of Changes in Net Assets
for the year ended June 30, 2009

	2009				2008
	Invested in capital assets	Restricted	Unrestricted	**Total**	Total
(Deficiency) excess of revenues over expenses	$ (34,488)	$ -	$ 383,736	**$ 349,248**	$ 1,320,189
Net assets, beginning of year	3,780,613	1,505,913	258,064	**5,544,590**	4,224,401
Interfund transfers:					
Invested in capital assets	834,137	-	(834,137)	-	-
Externally imposed restrictions	(568,625)	568,625	-	-	
Internally imposed restrictions	-	(570,117)	570,117	-	-
Net assets, end of year	$ 4,011,637	$ 1,504,421	$ 377,780	**$ 5,893,838**	$ 5,544,590

Restricted details: (Note 9)

	Beginning Balance	To Restricted	From Restricted	Ending Balance
Externally Restricted				
Capital Purchases (Ministry of Advanced Education, Employment and Labour)	-	568,625	568,625	-

	Beginning Balance	To Restricted	From Restricted	Ending Balance
Internally Restricted				
Capital Equipment Purchase Reserve	23,000		7,934	15,066
Building Capital Reserve	350,000	-	100,000	250,000
Building Maintenance Reserve	492,336	350,000	124,913	717,423
Machinery & Equipment Maintenance Reserve	50,000	-	-	50,000
Information Technology Reserve	138,145	-	38,294	99,851
Training and Education Reserve	452,432	200,000	280,351	372,081
	$ 1,505,913	$ 550,000	$ 551,492	$ 1,504,421
Total restricted net assets, end of year	$ 1,505,913	$ 1,118,625	$ 1,120,117	$ 1,504,421

See accompanying notes to financial statements

Statement 4

Northlands College
Statement of Cash Flows
for the year ended June 30, 2009

	2009	2008
Cash flows from (used in) operating activities		
Excess of revenues over expenses	**$ 349,248**	$ 1,320,189
Amortization of capital assets	**603,113**	618,548
	952,361	1,938,737
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	**(765,800)**	452,674
(Increase) in prepaid expenses	**(15,062)**	(7,374)
(Increase) in inventory for consumption	**(65,912)**	-
Increase (decrease) in accrued salaries and benefits	**27,132**	(246,662)
Increase (decrease) in accounts payable and accrued liabilities	**243,707**	(123,602)
(Decrease) in unearned revenue	**(764,201)**	(2,039,492)
Cash (used in) operating activities	**(387,775)**	(25,719)
Cash flows from (used in) investing activities		
Purchase of capital assets	**(793,794)**	(1,107,315)
Cash used in investing activities	**(793,794)**	(1,107,315)
Cash flows from (used in) financing activities		
Repayment of long-term debt	**(40,343)**	(38,078)
Cash used in financing activities	**(40,343)**	(38,078)
Net decrease in cash	**(1,221,912)**	(1,171,112)
Cash, beginning of year	**5,562,276**	6,733,388
Cash, end of year	**$ 4,340,364**	$ 5,562,276
Supplemental information		
Interest paid on long-term debt	**$ 28,273**	$ 30,537

See accompanying notes to financial statements

Schedule 1

Northlands College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2009

	2009								2009	2009 Budget (Note 10)	2008
	General	Skills Training		Adult Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	**Total**	Total	Total
Provincial Government											
Advanced Education, Employment and Labour											
Operating grant	$ 5,136,235	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 5,136,235**	$ 5,507,455	$ 4,893,630
Program payments	459,644	1,841,977	257,255	1,566,713	730,673	185,336	246,136	265,446	**5,553,180**	5,187,552	5,629,357
Other	380,149	-	-	-	-	-	-	-	**380,149**	518,790	543,072
	5,976,028	1,841,977	257,255	1,566,713	730,673	185,336	246,136	265,446	**11,069,564**	11,213,797	11,066,059
Other Provincial	-	-	-	-	151,154	130	-	-	**151,284**	170,923	60,423
	5,976,028	1,841,977	257,255	1,566,713	881,827	185,466	246,136	265,446	**11,220,848**	11,384,720	11,126,482
Federal Government											
Admin recovery	33,000	-	-	-	-	-	-	-	**33,000**	20,000	77,915
Program payments	-	475,409	-	-	28,444	167,697	-	-	**671,550**	-	-
Other	1,017	-	-	-	-	-	-	-	**1,017**	844,100	1,149,452
	34,017	475,409	-	-	28,444	167,697	-	-	**705,567**	864,100	1,227,367
Other Revenue											
Admin recovery	266,807	-	-	-	-	-	-	-	**266,807**	125,335	188,863
Contracts	14,638	1,117,140	272,264	274,346	314,738	27,731	-	-	**2,020,857**	1,798,951	1,689,516
Interest	90,629	-	-	-	-	-	-	-	**90,629**	175,000	268,015
Rents	44,469	300	-	5,849	5,345	-	74,898	-	**130,861**	59,450	137,758
Resale items	-	89,389	-	816	-	-	19,230	-	**109,435**	88,633	118,467
Tuitions	1,676	364,212	1,874	-	-	-	95,035	-	**462,797**	556,605	705,840
Other	667,156	48,596	(574)	994	2,400	-	198,836	13,900	**931,308**	818,157	860,989
	1,085,375	1,619,637	273,564	282,005	322,483	27,731	387,999	13,900	**4,012,694**	3,622,131	3,969,448
Total revenue	7,095,420	3,937,023	530,819	1,848,718	1,232,754	380,894	634,135	279,346	**15,939,109**	15,870,951	16,323,297
Total operating expenses (Schedule 2)	4,879,147	3,991,612	551,714	1,949,536	1,231,005	524,055	1,441,818	986,486	**15,555,373**	15,924,513	15,215,503
Excess (deficiency) of revenues over expenses	$ 2,216,273	$ (54,589)	$ (20,895)	$ (100,818)	$ 1,749	$ (143,161)	$ (807,683)	$ (707,140)	**$ 383,736**	$ (53,562)	$ 1,107,794

See accompanying notes to financial statements

Schedule 2

Northlands College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2009

	2009									2009	2009 Budget (Note 10)	2008
	General	Skills Training		Adult Basic Education		University	Services					
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel		**Total**	Total	Total
Agency contracts	$ 255,801	$ 1,720,033	$ 208,797	$ 306,214	$ 233,728	$ 158,179	$ 300,889	$ 16,500		**$ 3,200,141**	$ 3,233,599	$ 3,937,665
Equipment	184,494	150,227	34,736	23,290	40,403	21,619	24,353	31,853		**510,975**	365,167	422,095
Facilities	653,999	218,485	60,610	137,427	51,006	-	358,319	6,475		**1,486,321**	1,499,071	1,322,368
Information technology	72,750	1,920	-	1,108	-	1,120	-	97,033		**173,931**	127,405	73,861
Operating (Schedule 3)	754,283	659,121	150,866	171,945	145,625	56,817	108,065	76,448		**2,123,170**	2,080,074	1,905,806
Personal services	2,957,820	1,241,826	96,705	1,309,552	760,243	286,320	650,192	758,177		**8,060,835**	8,619,197	7,553,708
	$ 4,879,147	$ 3,991,612	$ 551,714	$ 1,949,536	$ 1,231,005	$ 524,055	$ 1,441,818	$ 986,486		**$ 15,555,373**	$ 15,924,513	$ 15,215,503
			$ 4,543,326		$ 3,180,541			$ 2,428,304				

See accompanying notes to financial statements

Northlands College
Schedule of Operating Expenses
for the year ended June 30, 2009

	2009	2009 Budget (Note 10)	2008
	Total	Total	Total
Advertising	$ 160,550	$ 158,086	$ 211,062
Association fees and dues	20,374	22,881	19,978
Bad debts (recovery)	39,027	30,785	(21,351)
Financial services	28,602	29,745	30,861
In-Service	56,961	82,371	34,984
Insurance	80,579	75,091	76,108
Materials and supplies	548,447	537,907	520,233
Printing and copying	83,862	92,563	82,766
Professional services	24,916	21,633	18,374
Resale items	90,553	122,516	81,673
Subscriptions	5,694	4,784	5,733
Telephone and fax	115,442	114,820	104,015
Travel	794,311	621,526	594,769
Other	73,852	165,366	146,601
	$ 2,123,170	$ 2,080,074	$ 1,905,806

See accompanying notes to financial statements

1. PURPOSE AND AUTHORITY

Northlands College (the "College") offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Northlands College is exempt from the payment of income tax.

2. CHANGES IN ACCOUNTING POLICIES

Capital Disclosures

The College adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535 Capital Disclosures. This Section requires the disclosure of information about externally imposed capital requirements. The required disclosures are in Note 17.

Future Accounting Changes

In November 2008, the CICA issued amendments to Section 1540, Cash flow statement, Section 1751, Interim financial statements, Section 4400, Financial statement presentation by not-for-profit organizations, Section 4430, Capital assets held by not-for-profit organizations, Section 4460, Disclosure of related party transactions by not-for-profit organizations and issued Section 4470, Disclosure of allocated expenses by not-for-profit organizations. The new standards will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, the College will adopt the new standards as of July 1, 2009.

Sections 1540 and 1751 have been amended to include not-for-profit organizations within their scope.

Section 4400 has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so. It also clarifies that revenues and expenses must be recognized and presented on a gross basis when a not-for profit organization is acting as a principal in transactions.

Section 4430 has been amended to specify that smaller organizations that capitalize their capital assets shall capitalize all classes of capital assets, amortize and write down those assets in accordance with relevant Handbook Sections.

Section 4460 has been amended to make the language in Section 4460 consistent with related party transactions, Section 3840.

The College does not expect that the adoption of these new standards will have a material impact on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board, the College is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified in funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, services and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College less long-term debt incurred to finance the purchase of capital assets. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor.

b) Revenue Recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to the general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the service is provided. Revenue from contractual services is recognized as the service is provided.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under the asset threshold are expensed in the current year.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows and amortization is reported as an expense in the capital fund:

Buildings	20 years
Furniture and equipment	3 to 10 years
Leasehold improvements	Term of lease or useful life
Other assets	10 years

d) Cash

Cash is represented by cash on hand and balances with banks.

e) Inventory

Inventory is valued at the lower of cost and net realizable value.

f) Use of Estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

The College has elected to apply Section 3861, Financial Instruments – Disclosure and Presentation in place of Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the College's designation of such instruments. Settlement date accounting is used.

(i) Classification

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities
Long-term debt	Other liabilities

(ii) Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the statement of financial position date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in income on the statement of operations.

(iii) Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

(iv) Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

(v) Transaction Costs

Transaction costs for all financial instruments are expensed as incurred.

(vi) Effective interest method

The College uses the effective interest method to recognize interest income or expense which includes premiums or discounts earned or incurred for financial instruments.

4. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2009 $	2008 $
Ministry of Advanced Education, Employment and Labour	**630,293**	2,600
Federal Government	**473,430**	222,838
Other	**328,514**	440,999
	$1,432,237	$ 666,437

5. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	2009 Net Book Value $	2008 Net Book Value $
Land	42,859	-	**42,859**	42,859
Buildings	6,031,464	3,530,277	**2,501,187**	2,241,735
Furniture and equipment	1,027,865	866,028	**161,837**	208,485
Leasehold improvements	291,613	205,164	**86,449**	105,843
Other assets	2,123,145	420,202	**1,702,943**	1,705,672
	$ 9,516,946	$ 5,021,671	**$ 4,495,275**	$ 4,304,594

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are composed of the following:

	2009 $	2008 $
Provincial Government	**70,631**	49,608
Federal Government	**166,315**	11,968
Other	**709,581**	641,244
	$ 946,527	$ 702,820

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2009 $	2008 $
Ministry of Advanced Education, Employment and Labour	**2,092,189**	2,837,058
Federal Government Grant	**23,909**	53,369
Other	**229,762**	219,634
	$ 2,345,860	$ 3,110,061

8. LONG-TERM DEBT

	2009 $	2008 $
Royal Bank of Canada, interest rate fixed at 5.589% per annum, monthly repayment terms of $5,718 for 10 years, maturing February 25, 2014	**483,638**	523,981
Less: Current portion	**(42,657)**	(40,343)
	$ 440,981	$ 483,638

8. **LONG TERM DEBT** (continued)

The principal repayment schedule for the next five years on long-term debt is as follows:

2010 – 42,657
2011 – 44,911
2012 – 47,870
2013 – 50,419
2014 – 53,309

9. **RESTRICTIONS ON NET ASSETS**

The Board of Directors of Northlands College placed internal restrictions on $1,504,421 (2008 – $1,505,913) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

External restrictions have not been placed on assets used by Northlands College.

10. **BUDGET AMOUNTS**

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on May 15, 2008. The Minister approved the budget on September 17, 2008.

11. **RELATED PARTY TRANSACTIONS**

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2009	2008
	$	$
Keewatin Yatthe Regional Health Authority	**12,133**	-
Ministry of Government Services	**522,915**	442,606
SaskTel	**98,531**	91,959
SaskPower and SaskEnergy	**93,948**	96,479
Saskatchewan Housing Corporation	**3,975**	2,798
Saskatchewan Institute of Applied Science and Technology	**713,319**	980,428
Saskatchewan Municipal Superannuation	**472,585**	439,021
Saskatchewan Regional Colleges	**12,381**	1,708
Saskatchewan Teachers' Federation	**108,622**	105,353
Saskatchewan Teachers' Superannuation	**4,777**	4,531
Saskatchewan Workers' Compensation Board	**25,963**	24,297
University of Regina	**162,025**	31,644
University of Saskatchewan	**72,331**	114,084
Total Amounts Payable/Paid to Related Parties	**$ 2,303,505**	$ 2,334,908

11. RELATED PARTY TRANSACTIONS (continued)

	2009	2008
	$	$
Keewatin Yatthe Regional Health Authority	**59,880**	151,441
Mamawetan Churchill River Health Authority	**1,800**	121
Ministry of Advanced Education, Employment and Labour	**11,549,071**	10,461,488
Saskatchewan Apprenticeship and Trade Certification Commission	**11,667**	58,358
Ministry of Environment	**15,000**	-
Saskatchewan Housing Corporation	**3,045**	13,599
Saskatchewan Institute of Applied Science and Technology	**68,631**	129,328
Saskatchewan Regional Colleges	**5,009**	-
University of the Arctic	**25,000**	38,000
University of Regina	**1,071**	787
University of Saskatchewan	**115**	578
Total Amounts Receivable/Received from Related Parties	**$ 11,740,289**	$ 10,853,700

The College receives long distance telephone service between major centers from SaskTel, a related party, at reduced rates available to government agencies.

The College brokers course programs (based on negotiated rates) from Saskatchewan Institute of Applied Science and Technology (SIAST).

Other transactions with related parties are disclosed elsewhere in these financial statements and related notes.

12. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, accrued salaries and benefits, accounts payable and accrued liabilities, and long-term debt.

a. The carrying amount of cash, accounts receivable, accrued salaries and benefits, accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows. Based on borrowing rates currently available to the College for loans with similar terms and conditions, the carrying value of its long-term debt approximates fair value.

b. The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable is from the federal government and from a large number of smaller customers; therefore, credit risk is minimal.

13. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, either the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP or STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan. The College's financial obligation to MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $234,713 (2008 - $214,354).

14. CONTINGENT LIABILITIES

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College have been named. It is not possible to estimate the potential effect of the claim at this stage of the proceedings.

15. LEASE AGREEMENTS

The College is currently leasing certain land and buildings under leases that expire at various dates to May 1, 2024. Annual rentals under the leases for each of the next five years are as follows:

2010	-	$615,212
2011	-	615,476
2012	-	615,476
2013	-	615,476
2014	-	615,476

16. FOUNDATION

Northlands College established a wholly-owned charitable foundation called "Northlands College Scholarship Foundation Incorporated" for the purpose of advancing education by recognizing student scholastic achievement through the provision of scholarships. The Foundation recorded a deficit of $746 in 2009 and had net assets of $69,373 as at June 30, 2009. The Board of the Foundation is appointed by Northlands College.

17. CAPITAL MANAGEMENT

The College's objectives when managing capital are to maintain sufficient fund balances to achieve the purposes of the funds and to ensure compliance with external restrictions placed on those funds.

In the management of capital, the College includes net assets and long-term debt in the definition of capital. As at June 30, 2009 the College has $6,377,476 ($6,068,571 in 2008) in capital.

Capital management objectives, policies and procedures are unchanged since the preceding year.